GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2720
ANSWERED ON:14.03.2016
Expenditure incurred by Oil Companies
Devi Smt. Rama

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of loan taken by Oil Marketing Companies (OMCs) along with interest paid by them during the last three years and the current year, OMC-wise;
(b) whether the amount of loans taken are not being utilised properly and if so, the details thereof along with investigation undertaken by the Government in this regard;
(c) whether the production cost of petroleum products is escalating due to the injudicious/ illogical expenditure of OMC if so, the details thereof along with the steps taken/probe conducted to curb such injudicious and Non-Plan expenditure during the said period, OMC-wise;
(d) the details of loss incurred by OMCs on petrol, diesel, LPG in rupees during the said period; and
(e) the details of the reduction of subsidy on LPG cylinders/diesel due to recent rise in prices of such commodities in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) - The Oil Marketing Companies (OMCs) have informed that the total loans outstanding as on 31st December, 2015, 31st March, 2015, 31st March, 2014 and 31st March, 2013 are as under :
OMCs
Total Loans outstanding as on
(in ? crores)
31 Dec., 2015
31 Mar., 2015
31 Mar., 2014
31 Mar., 2013
IOCL
49,120.00
55,248.00
86,263.00
80,894.00
BPCL
16,686.11
13,097.60
20,321.56
23,839.04
HPCL
19,968.65
20,335.34
32,164.55
33,789.03
2/-
-: 2 :-
Interest paid by OMCs during April-Dec. 2015, 2014-15, 2013-14 and 2012-13 is as under :
OMCs
Interest paid during
(in ? crores)
2015-16
(Till Dec.15)
2014-15
2013-14
2012-13
IOCL
2,161.00
3,381.00
4,569.00
6,104.00
BPCL
291.17
491.24

1,225.52
1,762.48
HPCL
448.80
706.59
1,336.36
1,412.80
(b) - OMCs have informed that all loans taken by them are utilized for the purpose for which they are availed.
(c) - Major part of input cost consists of Crude Oil Cost which depends upon the international quotes of crude oil and varies accordingly. Variation (Increase & Decrease) in refining cost depends on Refinery Shutdown maintenance activities and loading of one time catalyst. Considering the same, the variation in refining cost is due to normal variation. Hence, the production cost is not escalating due to the injudicious/illogical expenditure of the companies.
(d) & (e) - The prices of Petrol and Diesel have been made market determined by the Government effective 26th June, 2010 and 19th October, 2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of Petrol and Diesel in line with their international prices and other market conditions. However, the Government continues to modulate the Retail Selling Price of Subsidized domestic LPG (up to 12 cylinders per annum to each consumer).
The details of total subsidy/under-recovery on Petroleum Products is given as under :
Year
Diesel
Domestic LPG
? Crore
2012-13
92,061
41,565
2013-14
62,837
40,569
2014-15
10,935*
40,569
2015-16
(9 months)
0
12,084 * Under-recovery on Diesel up to 18.10.2014 only.
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